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November 24, 2014

Steve Olea, Director
Utilities Division
Arizona Corporation Commission
1200 W. Washington
Phoenix, AZ 85007RE: Self-Certification of Environmental Compatibility for the North Valley 230-kV
Transmission Line Project, Decision No. 65997
Docket No. L-00000D-02-0120Pursuant to Decision No. 65997, dated June 18, 2003, Condition No. 22, Arizona Public
Service Company files this self-certification letter and documentation for the North
Valley 230-kV Transmission Line Project.If you have any questions regarding this information, please contact Gregory Bernosky
at (602)250-4849.

Sincerely,

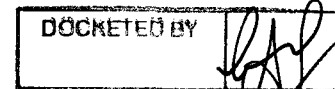
Lisa Malagon

LM/sb
Attachmentcc: Docket Control
Brian Bozzo
John Foreman, Chairman, Arizona Power Plant & Transmission Line Siting Committee
Leisa Brug, Arizona Commerce Authority - Energy Office
Sandra Fabritz-Whitney, Arizona Department of Water Resources

Arizona Corporation Commission

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North Valley 230-kV Transmission Line Project

Docket No.

L-00000D-02-0120

Arizona Corporation Commission

Decision No. 65997

*Certificate of Environmental
Compatibility Compliance*

December 2014

**Arizona Public Service
North Valley 230-kV
Transmission Line Project**

*Summary of Certificate of
Environmental Compatibility Compliance*

Introduction:

Arizona Public Service Company (APS) submits the following self-certification documentation pursuant to Condition 22 of the North Valley 230-kV Transmission Line Project, Certificate of Environmental Compatibility Case No. 120, Docket No. L-00000D-02-0120, Decision No. 65997 (June 18, 2003).

In June 2003 in Decision No. 65997, the Arizona Corporation Commission (Commission) granted a Certificate of Environmental Compatibility (CEC or Certificate) authorizing the construction of a new double-circuit 230kV line between the Westwing and Pinnacle Peak substations (CEC 120). In February 2007 in Decision No. 69343, the Commission granted a CEC authorizing the construction of a new 500/230kV transmission line (CEC 131) that followed nearly the same path as the 230-kV double circuit transmission line approved in CEC 120. In CEC 131, the Commission ordered APS to file an application to amend CEC 120 to reflect the Commission's granting of CEC 131. On March 21, 2007 APS filed an application (pursuant to A.R.S. §40-252) to amend CEC 120.

On October 19, 2012, APS filed an application with the Commission (which superseded the March 21, 2007 filing) requesting to extend the term of this Certificate to construct both the Avery and Scatter Wash (formerly Misty Willow) substations, and to amend Commission Decision No. 65997 pursuant to the A.R.S. § 40-252 Application that had been filed on March 21, 2007.

On April 10, 2013 in Decision No. 73824, the Commission approved APS's application. As a result, the only remaining facilities to be built are the Scatter Wash and Avery substations because the transmission line facilities approved in CEC 120 have been either: (a) constructed and energized pursuant to CEC 131 or (b) cancelled. The Commission adopted language revising Condition 3a to extend the term to construct these substations and deleted Condition 23. The CEC amendments are reflected in the Condition Table below.

APS has completed initial site improvements at the Scatter Wash substation site. No construction activities have occurred for the Avery substation as of November 1, 2014; therefore, many of the Certificate Conditions do not apply at this time.

The following Condition Table lists all of the requirements and the status of compliance activities.

Arizona Public Service
Summary of Certificate of Environmental Compatibility Compliance
North Valley 230-kV Transmission Line Project (Case 120)

Condition 1

Certificate Condition	Action of Compliance
The Applicant shall obtain all required approvals and permits necessary to construct the Project.	Final design is not complete as of November 1, 2014. A summary of permits and approvals for the remaining facilities is included with this filing.

Condition 2

Certificate Condition	Action of Compliance
The Applicant shall comply with all existing applicable air and water pollution control standards and regulations, and with all existing applicable ordinances, master plans and regulations of the State of Arizona, the County of Maricopa, the United States, and any other governmental entities having jurisdiction.	APS standard practice includes compliance with all existing standards, regulations, and ordinances where applicable.

Condition 3

Certificate Condition	Action of Compliance
<p>a) The authorization to construct the Avery and Scatter Wash substation shall expire on June 18, 2023. However, before such expiration, Applicant or its assignees may request that the Commission further extend this time limitation, provided that the facilities have been substantially constructed as of the time of such extension request. The Commission will determine what "substantial construction" is at the time of Applicant's filing for time extension.</p> <p>b) Prior to constructing any segment of the Project (except for the segment on the Roles Property), Applicant shall file with the Commission technical studies showing the feasibility of interconnecting the Table Mesa 500kV substation with the Project. These technical studies should determine (i) the impact of the proposed new Phoenix area transmission import delivery point on Phoenix area Reliability Must Run ("RMR") generation requirements, and (ii) the impact on staging and necessity of 230kV elements authorized for construction in this CEC. As part of those studies, Applicant shall investigate the impacts of interconnecting the Westwing to Navajo 500kV transmission line(s) into the Table Mesa substation prior to constructing the Palo Verde to Table Mesa 500kV line. Such studies are to be performed in a collaborative transmission planning study forum such as the ten-year Phoenix area RMR study required by January 31, 2004 or the Central Arizona Transmission Study forum.</p> <p>c) Prior to constructing any segment of the Project (except for the segment on the Roles Property), Applicant shall submit a report to the ACC Utilities Division Staff showing how the design appropriately balances pole height, location and span with system reliability. The report shall also demonstrate that any system consolidation shall not detrimentally impact system reliability at the time of construction.</p>	<p>Project was certificated June 18, 2003. On April 10, 2013, this Condition was modified to extend the term of construction for the Scatter Wash and Avery Substations to June 18, 2023 (Decision No. 73824).</p> <p>Activities associated with the segments of this Project that were replaced by the TS-9 to Pinnacle Peak 500/230-kV Project (Case No. 131) have been documented in the self-certification filings for that Project.</p>

Condition 4

Certificate Condition	Action of Compliance
The Applicant shall make every reasonable effort to identify and correct, on a case-specific basis, all complaints of interference with radio or television	As of November 1, 2014 the Project is not in service. APS standard practice includes tracking and responding to complaints of interference with radio and television

signals from operation of the transmission line and related facilities addressed in this Certificate. In addition to any transmission repairs, relevant corrective actions may include adjusting or modifying receivers; adjusting, repairing, replacing or adding antennas, antenna signal amplifiers, filters, or lead-in cables; or other corrective actions.

The Applicant shall maintain written records for a period of five years of all complaints of radio or television interference attributable to operation, together with the corrective action taken in response to each complaint. All complaints shall be recorded to include notations on the corrective action taken. Complaints not leading to a specific action or for which there was no resolution shall be noted and explained. The record shall be signed by the Applicant and also the complainant, if possible, to indicate concurrence with the corrective action or agreement with the justification for a lack of action.

signals as they are submitted to APS.

Condition 5

Certificate Condition	Action of Compliance
The North Valley Project shall comply with applicable noise standards of the federal Department of Housing and Urban Development and the Environmental Protection Agency.	APS standard design practices include compliance with applicable noise guidelines.

Condition 6

Certificate Condition	Action of Compliance
The Applicant shall continue to consult with the State Historic Preservation Office ("SHPO") to reach a determination of any cultural or archaeological impacts as a result of construction activities. If the result is a determination of negative impact, the Applicant shall continue to consult with the SHPO to resolve the negative impacts. The Applicant will provide a treatment plan, to minimize impacts, for SHPO review and approval and shall continue to consult with SHPO to resolve any such impacts. The Applicant shall avoid and/or minimize impacts to properties considered eligible for inclusion in the State and National Register of Historic Places to the extent possible.	A cultural survey report for the Scatter Wash substation site was prepared by APS and submitted to SHPO on July 2, 2012. The report identified no negative impacts and SHPO concurred with this finding on July 3, 2012.

Condition 7

Certificate Condition	Action of Compliance
If the Applicant determines that historic-period structures Beardsley Canal and Black Canyon Road and archaeological sites AZ T:7:192 (ASM), AZ T:3:1 (MNA) and AZ T:3:2 (MNA) cannot be avoided, then the Applicant shall plan and implement a mitigation program in consultation with SHPO.	Activities associated with the segments of this Project that were replaced by the TS-9 to Pinnacle Peak 500/230-kV Project (Case No. 131) have been documented in the self-certification filings for that Project.

Condition 8

Certificate Condition	Action of Compliance
If human remains and/or funerary objects are encountered during the course of any ground disturbing activities relating to the development of the subject property, Applicant shall cease work on the affected area of the Project and notify the Director of the Arizona State Museum in accordance with A.R.S. §41-865.	APS standard practice includes compliance with A.R.S. § 41-865.

Condition 9

Certificate Condition	Action of Compliance
Applicant shall retain an archaeologist on site during construction activities in applicable areas, as determined by SHPO, to advise them in connection with any additional archaeological studies that may be required and any mitigation efforts for archaeological sites that may be affected by the construction of the Project.	No sensitive sites were determined.

Condition 10

Certificate Condition	Action of Compliance
After construction, the Applicant, in conjunction with any applicable land managing agency, shall allow Arizona Site Stewards, a volunteer-staffed SHPO program, to periodically inspect the sites within the corridor for vandalism or other damage.	Activities associated with the segments of this Project that were replaced by the TS-9 to Pinnacle Peak 500/230-kV Project (Case No. 131) have been documented in the self-certification filings for that Project.

Condition 11

Certificate Condition	Action of Compliance
The Applicant shall follow the Arizona State Land Department's instructions, if any, regarding the treatment of State Register of Historic Places-eligible properties situated on Arizona State Land Department land in consultation with SHPO.	APS standard practice includes following the Arizona State Land Department's instructions regarding the treatment of State Register of Historic Places-eligible properties situated on Arizona State Land Department land in consultation with SHPO.

Condition 12

Certificate Condition	Action of Compliance
In consultation with SHPO and the land-managing agency, the Applicant will consider and assess potential direct and indirect impacts to eligible properties related to new access roads or any existing access roads that require blading.	As the final design or construction for this Project develops, activities related to this Condition will be reported, if applicable, in a future self-certification filing.

Condition 13

Certificate Condition	Action of Compliance
The Applicant shall design the transmission lines so as to minimize impacts to raptors.	APS standard design practices include efforts to minimize the risk to raptors.

Condition 14

Certificate Condition	Action of Compliance
Where practicable, the Applicant shall use existing roads for construction and access. The Applicant shall minimize vegetation disturbance, particularly in drainage channels and along stream banks, and shall re-vegetate or restore native areas of construction disturbance.	APS will use existing roads for construction and access where practical and minimize vegetation disturbance and will re-vegetate or restore areas of construction disturbance.

Condition 15

Certificate Condition	Action of Compliance
The Applicant shall use non-specular conductor and dulled surfaces for transmission line structures.	APS standard design practices include the use of non-specular and dulled surfaces for transmission structures.

Condition 16

Certificate Condition	Action of Compliance
<p>Within 45 days of securing easement or right of way for the Project, the Applicant shall erect and maintain signs providing public notice that the property is the site of a future transmission line. Such signage shall be no smaller than a normal roadway sign. The Applicant shall place signs in prominent locations at reasonable intervals such that the public is notified along the full length of the transmission line until the transmission structures are constructed. There must also be signs at the location of the proposed substations. The signs shall advise:</p> <ul style="list-style-type: none"> • that the site has been approved for the construction of Project facilities including a 230kV transmission line, as applicable to the individual site; • the expected date of completion of the Project facilities; and • a phone number for public information regarding the Project. 	<p>APS has complied with this Condition. The information was provided in previous self-certification filings.</p>

Condition 17

Certificate Condition	Action of Compliance
<p>In the event that the Project requires an extension of the term of this Certificate prior to completion of construction, Applicant shall use reasonable means to directly notify all landowners and residents within a one-half-mile radius of the Project facilities for which the extension is sought. Such landowners and residents shall be notified of the time and place of the proceeding in which the Commission shall consider such request for extension.</p>	<p>APS complied with this Condition in April 2013 when APS filed an application to amend requesting a CEC term extension.</p>

Condition 18

Certificate Condition	Action of Compliance
<p>Before construction on this Project may commence, the Applicant must file a construction mitigation and restoration plan with ACC Docket Control with copies to affected areas of jurisdiction.</p> <p>The Applicant shall, within one year of completion of construction of the Project, rehabilitate to its original state any area disturbed by construction of the Project, except for any road that may be necessary to access the transmission lines or substation sites for maintenance and repair.</p> <p>The goals of the plan will be to:</p> <ul style="list-style-type: none"> • Avoid impacts where practical; • Where impacts are unavoidable, minimize impacts; <p>and</p> <ul style="list-style-type: none"> • Focus on site preparation to facilitate natural processes of revegetation <p>Other key elements of the Plan, when not inconsistent with the respective land management agencies' or local owners' requirements, are to:</p> <ul style="list-style-type: none"> • Emphasize final site preparation to encourage natural revegetation; • Avoid (i.e., preserve), where practical, mature native trees; • Stipulate a maximum construction corridor width; • Reserve topsoil and native plant materials from right-of-way before grading, and re-spread over the right-of-way after construction is complete; 	<p>APS filed the construction mitigation and restoration plan for the Scatter Wash substation with ACC Docket Control on October 19, 2012.</p> <p>As the final design or construction for this Project develops, activities related to this Condition will be reported, if applicable, in a future self-certification filing.</p>

- Imprint the restored right-of-way to provide indentations to catch seed and water;
- Implement best management practices to protect the soil;
- Apply restoration methods that have been shown to work in the desert environment; and
- Prevent the spread of noxious weeds or other undesirable species.

A separate construction mitigation and restoration plan shall be submitted for the conducting of the second circuit on the Project if such conducting does not occur at the same time as the remainder of the Project is constructed.

Condition 19

Certificate Condition	Action of Compliance
Applicant shall retain a qualified biologist to monitor all ground clearing/disturbing construction activities that may affect sensitive habitat. The biological monitor will be responsible for ensuring proper actions are taken if a special status species is encountered. If Sonoran desert tortoises are encountered during construction, the Applicant shall follow the Arizona Game & Fish Department's Guidelines for Handling Sonoran Desert Tortoises.	APS has complied with this Condition where construction activities have commenced.

Condition 20

Certificate Condition	Action of Compliance
Applicant shall salvage mesquite, ironwood, saguaro and palo verde trees removed during project construction activities consistent with Arizona's Native Plant Law and use the vegetation for reclamation in or near its original location.	APS standard practice includes adherence to the Arizona Native Plant Law, where applicable.

Condition 21

Certificate Condition	Action of Compliance
Applicant shall implement landscaping for the substation sites in accordance with the applicable municipal planning and zoning requirements.	Landscaping of the Scatter Wash Substation site has been completed in accordance with City of Phoenix planning and zoning requirements. As the final design or construction for this Project develops, activities related to this Condition will be reported, if applicable, in a future self-certification filing.

Condition 22

Certificate Condition	Action of Compliance
The Applicant shall submit a self-certification letter annually, identifying which conditions contained in the Certificate have been met. Each letter shall be submitted to the Utilities Division Director on December 1, beginning in 2004. Attached to each certification letter shall be documentation explaining, in detail, how compliance with each condition was achieved. Copies of each letter, along with the corresponding documentation, shall also be submitted to the Arizona Attorney General, Department of Water Resources, and Department of Commerce Energy Office.	This document serves as the annual self-certification letter.

Condition 23

Certificate Condition	Action of Compliance
This Condition was deleted pursuant to Decision No. 73824 (April 10, 2013).	This Condition was deleted pursuant to Decision No. 73824 (April 10, 2013).

Condition 24

Certificate Condition	Action of Compliance
<p>Applicant shall continue to coordinate this Project with both SRP and Western Area Power Administration ("WAPA") to ensure that all possible projects are maximally integrated, taking into account serving Arizona's growing need for electrical service, ensuring reliability for the Project and the Arizona Transmission System and minimizing any and all adverse environmental impacts. Applicant shall provide to the ACC written confirmation of continuing efforts at coordination as described above as part of its compliance with this Certificate.</p>	<p>The APS local transmission planning process is coordinated with other regional utilities, including Western Area Power Administration and Salt River Project through recurring quarterly joint-coordination meetings, as well as other day-to-day communication. This transparency has fostered the development of electric infrastructure that has maintained reliability and met load growth. In addition to its local planning process, APS coordinates its transmission planning with other transmission providers and stakeholders in the Desert Southwest, and the Western Interconnection as a whole, through its active participation in the Southwest Area Transmission (SWAT) planning group, membership in WestConnect, membership in the Western Electricity Coordinating Council (WECC) and participation in the WECC Transmission Expansion Planning Policy Committee (TEPPC) and its Technical Advisory Subcommittee (TAS).</p>

Condition 25

Certificate Condition	Action of Compliance
<p>With respect to the Project, Applicant shall participate in good faith in state and regional transmission study forums, and shall coordinate transmission expansion plans related to the Project to resolve transmission constraints in a timely manner.</p>	<p>Refer to the response to Condition 24.</p>

Condition 26

Certificate Condition	Action of Compliance
<p>The following condition is to ensure transmission system safety and reliability when a transmission structure is placed within one hundred feet of a natural gas or hazardous liquid pipeline right of way, excluding distribution lines as defined by the Code of Federal Regulations. Under such circumstances, the Applicant shall:</p> <p>a) Provide the appropriate grounding and cathodic protection studies to show that the transmission line results in no material adverse impacts to such natural gas or hazardous liquid pipeline, whose right of way is a hundred feet or less from the transmission structure, when both are in operation. A report of the studies shall be provided to the ACC by the Applicant as part of its compliance with the Certificate. If material adverse impacts are noted in the studies, Applicant shall take the appropriate steps to ensure such material adverse impacts are eliminated. Applicant shall provide to the ACC written documentation of the actions that were taken and provide documentation showing that no material adverse impacts are occurring.</p> <p>b) Adopt a written mitigation plan outlining any and all steps taken to protect all electric facilities associated with the transmission line as a result of this Project from any potential hazards that could occur whenever a transmission line structure is placed 100 feet or less from any such pipeline right of way. The plan shall indicate what corrective action will be taken to mitigate any potential hazard that could occur. A potential hazard includes, but is not limited to, a rupture or explosion resulting from the pipeline. The written mitigation plan shall be provided to the ACC by the Applicant as part of its compliance with this</p>	<p>Neither final design nor construction for Avery and Scatter Wash substations are complete as of November 1, 2014; however, activities related to this Condition will be reported, if applicable, in a future self-certification filing.</p>

Certificate and shall be subject to approval from Commission Staff. Applicant shall implement the written mitigation plan during a hazard as part of its compliance with this Certificate.

Condition 27

Certificate Condition	Action of Compliance
The Applicant shall provide copies of this Certificate to appropriate city and county planning agencies.	APS complied with this Condition. See APS's December 1, 2004 self-certification filing.

Condition 28

Certificate Condition	Action of Compliance
In the final siting of this line, Applicant will work in good faith to offset lines approximately 1/4 mile from the Dove Valley Road alignment.	Activities associated with the segments of this Project that were replaced by the TS-9 to Pinnacle Peak 500/230-kV Project (Case No. 131) were documented in self-certification filings for that Project.

Condition 29

Certificate Condition	Action of Compliance
Applicant shall make good faith effort to work with affected municipalities and land management agencies to encourage future development to move major arterials away from major transmission corridors.	As reported in the 2005 self-certification filing, APS has complied with this Condition.

Condition 30

Certificate Condition	Action of Compliance
Applicant shall work with developers along the route to include the identity and location of the certificated route in the developers' homeowners disclosure statements.	APS will comply with this Condition prior to commencing construction on the Project.

Condition 1

The Applicant shall obtain all required approvals and permits necessary to construct the Project.

Compliance

As of November 1, 2014, APS has applied for the following permits and approvals associated with the North Valley 230-kV Transmission Line Project. The following table lists the status of these permits or approvals.

Issuing/Approving Agency	Type	Application/Approval Status
Federal Aviation Administration	Air obstruction impact	Approved January 13, 2011
City of Phoenix	Plant salvage permit	Approved October 11, 2012
City of Phoenix	Site Plan	Approved August 15, 2012